

Mr. Hongliang Ding

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Baoshan District,

Shanghai.

200444, China

ding\_hl@hotmail.com

008613621694380

July 07, 2025

**Honorable Judge Karen B. Owens**

United States Bankruptcy Court

District of Delaware

824 North Market Street, 3rd Floor

Wilmington, Delaware 19801

USA

Re: Objection to the Designation of China as a “Restricted Foreign Jurisdiction”

In re: FTX Trading Ltd., et al., Case No. 22-11068 (KBO)

Dear Judge Owens:

**OBJECTION TO MOTION OF FTX RECOVERY TRUST TO IMPLEMENT  
RESTRICTED JURISDICTION PROCEDURES**

Submitted by: [Hongliang Ding], Resident of China

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Preliminary Statement

I respectfully submit this objection in my individual capacity. I hold KYC-verified FTX accounts with aggregate claims totaling 17662.59 USD (including SOL[4.4326675200000000], USD[17620.5700258540000000]). My Unique Customer Code is 3105738. And I have fully complied with every procedural requirement under the

CERTIFICATE OF SERVICE

I, Hongliang Ding, hereby certify that on July 7, 2025, I caused a copy of the foregoing Objection to the Motion of the FTX Recovery Trust to Implement Restricted Jurisdiction Procedures to be served via electronic mail upon the following parties:

Sullivan & Cromwell LLP

- James L. Bromley – bromleyj@sullcrom.com
- Alexa J. Kranzley – kranzleya@sullcrom.com
- Andrew G. Dietderich – dietdericha@sullcrom.com
- Brian D. Glueckstein – gluecksteinb@sullcrom.com

Landis Rath & Cobb LLP

- Adam G. Landis – landis@lrclaw.com
- Kimberly A. Brown – brown@lrclaw.com
- Matthew R. Pierce – pierce@lrclaw.com

I certify under penalty of perjury that the foregoing is true and correct.

Dated: July 7, 2025

China

  
Hongliang Ding

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U.S. DISTRICT COURT  
DISTRICT OF DELAWARE

Plan. The proposed motion now jeopardizes my right to distribution in an arbitrary and inequitable manner.

This motion to designate China as a “Restricted Jurisdiction” is unsupported by either fact or law. As outlined below, there is no credible legal basis to conclude that distributions to Chinese creditors would subject the Trust, or any distribution agent, to regulatory or criminal risk.

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#### I. FTX Claims Are USD-Denominated and Payable via Lawful Channels

1. FTX claims are denominated and settled in U.S. Dollars. While these claims originate from crypto investments, the Debtors’ Plan explicitly adopts a USD-denominated valuation and distribution framework. The proposed distributions are fiat-based and do not require engagement with virtual assets, rendering them functionally indistinguishable from traditional monetary claims.[1]

2. USD wire transfers are lawful and standard payment mechanisms. FTX Recovery Trust has announced partnerships with global payment platforms (e.g., Payoneer, BitGo) and distribution agents (e.g., Kraken) to facilitate fiat disbursements. Chinese residents can lawfully receive USD wires via Hong Kong-based accounts, which is outside the scope of capital control violations.[2][3]

3. USD settlement mechanisms exist for Chinese creditors. Even if crypto-based payouts are avoided, there are sufficient and lawful channels for distributing USD. In the Celsius Network LLC case, the bankruptcy court successfully disbursed USD to Chinese creditors via standard international wire transfers, confirming the existence of practical and compliant financial infrastructure.[4]

4. Conclusion to Section I. Given that the FTX bankruptcy estate values and settles creditor claims in U.S. Dollars, this case is fundamentally no different from other bankruptcy proceedings when it comes to distribution. The U.S. Dollar is a global reserve currency and can be lawfully transmitted to Chinese creditors through established channels. Equal access to USD compensation is essential to preserving fairness and

equity in the bankruptcy process. The FTX Recovery Trust's attempt to withhold distributions from Chinese creditors based on jurisdictional interpretations of crypto regulation is both unreasonable and legally unfounded. Chinese creditors are entitled to equal treatment in USD distributions just like creditors in other jurisdictions. Any attempt to block such distributions based on speculative regulatory interpretations is not only unjust but lacks legal basis.

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## II. Even Crypto-Based Distributions Are Legally Permissible in China

### 1. China Recognizes Virtual Assets as Legal Property.

Chinese courts have consistently held that cryptocurrencies such as Bitcoin and Ethereum constitute personal property under the Civil Code. These rulings confirm that individual ownership is lawful.[5][6][7][8]

### 2. Hong Kong Supports Crypto Regulation and Retail Participation.

As a Special Administrative Region (SAR) of the People's Republic of China, Hong Kong operates under the 'one country, two systems' framework, which allows it to establish its own financial and regulatory policies. However, it remains an integral part of China. Not only does Hong Kong allow individuals and institutions to hold and trade virtual assets, but it has also proactively embraced digital assets with a comprehensive licensing regime. Its progressive and well-defined regulatory framework aims to attract global digital asset firms and provide robust investor protection mechanisms.[9][10][11][12]

### 3. Mischaracterization of Macau Policy.

The Trust references Macau's 2017 ICO-related warning, but this merely restricts financial institutions from participating in token issuances. It does not prohibit personal ownership or receipt of crypto assets.[13][14]

### 4. International Precedents Support Distributions to Chinese Creditors.

In Celsius Network LLC (Case No. 22-10964, S.D.N.Y.), the court approved USD distributions to Chinese claimants via wire. In the Mt. Gox rehabilitation, Chinese

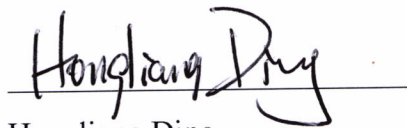
creditors lawfully received crypto (BTC, BCH) through Kraken. As a creditor in the Celsius Network case, I successfully received my fiat USD claim distribution via bank wire, a transaction confirmed by both Celsius Network's email notification (attached as Exhibit A) and my bank's remittance receipt (attached as Exhibit B). These precedents demonstrate that Chinese claimants are eligible to receive both fiat and crypto distributions from U.S. bankruptcy proceedings. [15][16]

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### Conclusion

In conclusion, distributing claims to Chinese creditors poses no legal risk to the Trustee or its agents and constitutes a required step under the bankruptcy process. The motion to classify China as a "Restricted Jurisdiction" lacks factual foundation and misapplies legal principles. I respectfully urge the Court to reject any designation that would exclude Chinese creditors from distributions under the Plan.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Hongliang Ding", is written over a horizontal line.

Hongliang Ding

Dated: July 07, 2025

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#### Appendix A: Reference Links

- [1] <https://www.coindesk.com/markets/2025/05/16/ftx-to-pay-over-usd5b-to-creditors-as-bankrupt-exchange-gears-up-for-distribution>
- [2] <https://www.prnewswire.com/news-releases/ftx-recovery-trust-to-distribute-more-than-5-billion-to-creditors-in-second-distribution-on-may-30-2025-302456976.html>
- [3] <https://www.coinspeaker.com/ftx-adds-payoneer-as-payment-method-for-creditors>
- [4] <https://www.nysb.uscourts.gov/content/re-22-10964-mg-celsius-network-llc-21>
- [5] [https://watcher.guru/news/bitcoin-is-now-recognized-as-a-legal-virtual-property-by-shanghai-high-court#google\\_vignette](https://watcher.guru/news/bitcoin-is-now-recognized-as-a-legal-virtual-property-by-shanghai-high-court#google_vignette)
- [6] <https://www.mondaq.com/fin-tech/1577154/shanghai-court-recognises-the-legality-of-crypto-ownership-for-individuals>
- [7] <https://www.coindesk.com/markets/2018/10/26/chinese-court-rules-bitcoin-should-be-protected-as-property>
- [8] <https://news.bitcoin.com/chinese-court-ethereum-legal>
- [9] <https://www.info.gov.hk/gia/general/202210/31/P2022103000454.htm>
- [10] <https://www.reuters.com/technology/crypto-exchange-hashkey-bags-licence-update-serve-retail-users-2023-08-03>
- [11] <https://cointelegraph.com/news/hong-kong-welcomes-first-licensed-retail-crypto-exchange-hashkey>
- [12] <https://www.engage.hoganlovells.com/knowledgeservices/news/hong-kong-government-policy-announcement-on-virtual-asset-exchanges-hong-kong-fintech-week-2022>
- [13] <https://www.gov.mo/en/news/74177>
- [14] <https://www.amcm.gov.mo/zh-hant/news-notice/statement/detail/alert-to-risks-of-virtual-commodities-and-tokens/642>
- [15] <https://www.theblock.co/post/303624/mt-gox-creditors-may-have-to-wait-for-up-to-three-months-to-receive-their-bitcoin>
- [16] <https://cointelegraph.com/news/mt-gox-confirm-bitcoin-addresses-repayment>

**EXHIBIT A**

- Email Confirmation from Celsius Network Re: USD Distribution

Sent to: [ding\_hl@hotmail.com] | Date: [08/17/2024]

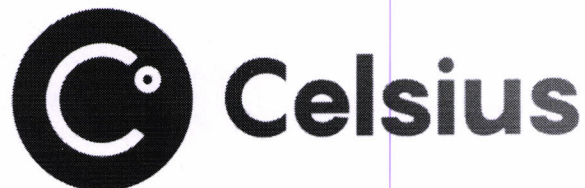


Outlook

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**Your Celsius Claim Distribution in USD was Successfully Sent**

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**From** Celsius Network LLC <do-not-reply@updates.celsius.network>**Date** Sat 8/17/2024 2:03 AM**To** ding\_hl@hotmail.com <ding\_hl@hotmail.com>

Dear HONGLIANG DING,

**You are receiving this email because your claim distribution was successfully sent.\***

See the details of this wire below:

Sent: 7/24/24Amount: \$18489.35 USDFrom: Celsius Network LLC at Citizens BankPurpose: This is a creditor claim distribution by order of the U.S. Bankruptcy Court Southern District of New York (<https://cases.stretto.com/celsius/>)Fed Reference #: 240724006392

*\*Please note that in some cases, the Beneficiary Bank or Intermediary Bank may subsequently reject funds due to internal banking policies. We suggest confirming with your bank before withdrawing these funds.*

Celsius Claim Distributions

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Celsius Network LLC - 50 Harrison St. Suite 209F Hoboken NJ 07030, USA

Celsius Network Limited - 167-169 Great Portland Street, 5th Floor, London W1W 5PF, UK

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This e-mail has been sent to ding\_hl@hotmail.com to provide updates on creditor claim distributions from  
Celsius Network LLC Case Number: 22-10964. Click here to unsubscribe.

After unsubscribing you may not receive important communications regarding claim distributions.

**EXHIBIT B**

Bank Remittance Receipt showing receipt of funds from Celsius Network to:  
[Hongliang Ding/ INDUSTRIAL AND COMMERCIAL BANK OF CHINA (ASIA) LIMITED]

[Transaction Date: 07/25/2024]



中國工商銀行（亞洲）有限公司  
香港中環花園道3號中國工商銀行大廈33樓  
客戶服務熱線：(852) 218 95588  
INDUSTRIAL AND COMMERCIAL BANK OF CHINA (ASIA) LIMITED  
33/F, ICBC Tower, 3 Garden Road, Central, Hong Kong  
Customer Service Hotline: (852) 218 95588  
www.icbcasia.com

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汇款人: CELSIUS NETWORK LLC  
FIAT DISTRIBUTION  
50 HARRISON ST STE 209F  
HOBOKEN NJ 07030-6087

汇入账户: 701823431813

起息日: 2024年07月25日

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原汇款金额: USD18,489.35

兑换率: 1.000000000

扣除手续费: USD7.70

存入款项: USD18,441.65

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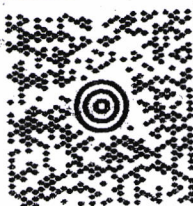
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